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ABSTRACT

This document presents an audit of the State University of New York (SUNY) performance indicator measurement and reporting process for the period January 1, 1993 through September 29, 1995 in relation to goals established for SUNY in 1991 (SUNY 2000) and a first performance report in 1994. The objectives of this audit were to determine the following: whether SUNY's reporting of performance indicators was comparable to that of similar institutions; whether SUNY obtained input from key users of the 1994 report; whether the indicators measure progress toward SUNY 2000 goals; and whether SUNY's internal controls are adequate to ensure performance data accuracy. The audit found that the production of SUNY's first report was an admirable achievement but could be more useful if SUNY: (1) ensures that indicators measure progress toward specific SUNY 2000 goals; (2) reports more outcome indicators; (3) ensures that indicators reflect the input of key report users; and (4) formalizes its documentation and quality control process to ensure data accuracy. Individual sections of this report describe the audit's background, scope, objectives, and methodology, the relationship of the performance indicators to SUNY's goals, indicators of institutional quality, involvement of key report users in developing indicators, and quality control issues. An appended response by SUNY officials indicates they generally agreed with the audit's recommendations. (CK)

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Division of Management Audit

Report 95-S-76

Mr. William H. Anslow
Officer-in-Charge
State University of New York
State University Plaza
Albany, NY 12246

Dear Mr. Anslow:

The following is our audit report on the State University of New York's Performance Indicators Report issued in 1994.

This audit was performed pursuant to the Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. Major contributors to this report are listed in Appendix A.

Office of the State Comptroller
Division of Management Audit

July 30, 1996

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Executive Summary

State University Of New York
Report On Performance Indicators

Scope of Audit

The State University of New York (SUNY) was created in 1948. Today, with a total of 64 campuses, SUNY is one of the largest systems of public higher education in the nation. These campuses offer academic, professional and vocational programs to more than 195,000 students at SUNY state-operated/funded colleges and 196,000 students at community colleges throughout the State. The 1995-96 Executive Budget sets SUNY's all-funds operating budget at $3 billion. SUNY provides education for almost forty percent of the total higher education population of New York. The remainder is provided by the City University of New York and a large and diverse set of independent institutions.

Governmental agencies are accountable for the effective, efficient and economical use of publicly funded resources provided to accomplish their missions. To provide accountability, agency management should determine and report measurable results of performance to the public, executive management and elected officials to show not only the results of current performance, but also the areas where improvements can be made. Cornerstones of performance measurement include establishing goals pertinent to the agency's mission and developing performance indicators that can measure, by means of inputs, outputs and outcomes, the agency's progress in achieving its goals.

In 1991, SUNY developed a vision statement entitled *SUNY 2000*, to help establish a plan to take SUNY into the 21st century. *SUNY 2000* set forth five general goals and 70 specific goals for SUNY. In December 1994, SUNY's Office of the Provost issued SUNY's first Performance Indicators Report (Report). The Report's purpose, in part, was to link SUNY's actual performance to the goals described in *SUNY 2000*.

Our audit addressed the following questions about SUNY's performance indicator measurement and reporting for the period January 1, 1993 through September 29, 1995:

- Is SUNY's indicator reporting comparable to that of other institutions of higher learning?
- Do Report indicators reflect input from key Report users and measure progress toward *SUNY 2000* goals?
- Are SUNY's internal controls adequate to ensure the accuracy of performance data?

Audit Observations and Conclusions

SUNY is the first State agency to undertake the task of developing and reporting performance indicators, and has produced its initial Report without having been required to do so. We recognize that this undertaking is an admirable achievement and one that is not without risk. Our audit determined that SUNY's Report could be a more valuable tool for management and Report users if SUNY takes the following steps: ensures that indicators measure progress toward specific *SUNY 2000* goals; reports more outcome indicators, as do certain other comparable institutions; ensures that indicators reflect the input of key Report users; and formalizes its documentation and quality control process to ensure the accuracy of indicator data. However, it should be noted that our audit did not find any significant misrepresentations in SUNY's Report. We commend SUNY for its production of this first Report and encourage its continuing commitment to performance reporting.

We found that SUNY's stated criteria for performance measurement are very similar to those of the Government Accounting Standards Board (GASB). However, we also found SUNY's Report did not fully satisfy all stated criteria; namely, reporting indicators that measure achievement of *SUNY 2000* goals and that help to stimulate improved performance. For example, we found that, while the Report utilized the five generic goals stated in *SUNY 2000* as a general framework, there was no attempt to link the indicators to any of the subset of 70 specific goals presented under the five generic goals. (See pp. 6-7)

Nine of the Report's 46 indicator sets are output or outcome-related. We believe that SUNY should consider using additional outcome indicators in its Report. Further, while SUNY did solicit feedback from within the SUNY System about how results should be reported, SUNY did not involve key external users and could better demonstrate accountability to multiple audiences by doing so. (See pp. 7-10)

Finally, we recommended that SUNY improve its quality control process with more formal documentation to enhance the completeness, comparability, consistency and accuracy of the performance data presented in its Report. We believe that implementing such a process would make future reports more useful for management, and would serve to strengthen their credibility as public presentations of SUNY's results of operations. (See pp. 11-14)

Comments of SUNY Officials

SUNY officials generally agreed with our recommendations and indicated they will incorporate them in the development of future performance indicator reports.

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Introduction

Background

The State University of New York (SUNY) is one of the largest comprehensive systems of public higher education in the nation, with a total of 64 campuses. SUNY is comprised of four University Centers which offer a full range of academic programs through the doctoral level; four Health Science Centers with medical schools; thirteen University Colleges which offer comprehensive programs through the Master's level; four Specialized Colleges in Environmental Science and Forestry, Maritime studies, Optometric studies, and an upper division college of technology; five Statutory Colleges at Cornell and Alfred University with specialized offerings in Agriculture and Life Sciences, Human Ecology, Industrial and Labor Relations, Veterinary Medicine, and Ceramics; six Colleges of Technology and Agriculture which are primarily two-year colleges; and thirty Community Colleges which are designed to give students job skills or prepare them for transfer to four-year colleges. These Community Colleges are supported by State and local governments.

The campuses offer academic, professional and vocational programs to more than 195,000 students at SUNY state-operated/funded colleges and 196,000 students at community colleges throughout the State. A 16-member Board of Trustees sets SUNY policy and a SUNY Central System Administration unit provides direction and leadership for the SUNY system. The 1995-96 Executive Budget contains an all-funds operating budget of $3 billion.

Governmental agencies are accountable for the effective, efficient and economical use of publicly funded resources provided to accomplish their missions. To provide this accountability, agency management should determine and report measurable results of performance to the public, executive management and elected officials. Through such reporting, management and the public can see not only the results of current performance, but also the areas where improvements can be made. Cornerstones of performance measurement include the establishment of goals and objectives that are pertinent to an agency's mission and the development of performance indicators that can measure, by means of inputs, outputs and outcomes, the agency's progress in achieving its goals.

In 1991, SUNY developed a vision statement entitled *SUNY 2000*, in which it set forth five general goals. They are as follows:

- Provide access in undergraduate education.

- Ensure excellence in undergraduate programs and services.
- Seek, attain, develop, ensure national competitiveness in graduate studies and research.
- Meet State needs in economic development, environmental conservation, health care, public education, and social services.
- Improve management efficiency and effectiveness.

Historically, SUNY has had more freedom from State regulation than other State agencies. In 1986, legislation was passed allowing SUNY flexibility in the areas of budget execution, procurement and personnel practices. More recently, SUNY has requested greater autonomy for its campuses to enable them to directly manage more of their administrative and financial affairs. SUNY has recognized that, as its receives greater flexibility and autonomy, it needs to be more accountable for the resources it manages.

In December 1994, SUNY issued its first Performance Indicators Report (Report). The Report stated that performance indicators are the link for coupling autonomy to accountability by presenting tangible evidence of results in relation to goals and funding. Performance indicator reporting is also a way to present program results in a measurable and meaningful manner. According to the Report's preface, its purpose was to meet increasing demand from the public that higher education report on its accomplishments, as well as its problems, in a comprehensive manner by focusing on results as well as inputs. The Report was intended to add to SUNY's efforts, initiated by *SUNY 2000*, to assess, evaluate, and plan for the effective and efficient use of its resources.

In the Report Preface, SUNY noted that it undertook development of its performance indicators report without a State mandate requiring it to do so. In fact, SUNY is the first State-funded operation in New York to have prepared such a report. We recognize that this undertaking is an admirable achievement, and one that is not without risks. We encourage SUNY to continue its efforts to report the results of performance. We believe, along with SUNY, that performance reporting is a good way to ensure system accountability by showing the quality and the quantity of programs and services that the campuses provide with the resources allocated to them. Furthermore, we hope that SUNY will consider our recommendations as areas for potential improvement in its continuing efforts to enhance its processes for performance indicator measurement and reporting.

Audit Scope, Objectives and Methodology

We audited SUNY performance indicator measurement and reporting processes for the period January 1, 1993 through September 29, 1995. The objectives of our performance audit were to determine the following: whether SUNY's performance indicator reporting was comparable to that of other institutions of higher education that we contacted; whether SUNY obtained input from key Report users in developing its performance indicators; whether Report indicators measure progress toward SUNY 2000 goals; and whether SUNY's internal controls are adequate to ensure the accuracy of reported performance data.

To accomplish our objectives, we interviewed SUNY officials, officials from other states involved in performance measuring and members of the New York State Legislature. We compared the SUNY Report to industry standards detailing the accepted process for developing and presenting performance indicator reports. In addition, we examined and tested the control procedures that SUNY used to develop the Report, and we recomputed selected indicators to test for accuracy and completeness.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations of SUNY which are included in our audit scope. These standards require that we gain an understanding of SUNY's internal control structure and its compliance with those laws, rules and regulations that are relevant to SUNY's operations that are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing estimates, judgments and decisions made by management. We believe our audit provides a reasonable basis for our findings, conclusions, and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest possibility for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient and effective. As a result, our audit reports are prepared on an "exception basis." This report therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

Response of SUNY Officials to Audit

A drafy copy of this report was provided to SUNY officials for their review and comment. Their comments have been considered in preparing this report and are included as Appendix B.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Chancellor of the State University of New York shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

Performance Indicator Reporting

Performance indicator reporting is globally recognized as an accepted method for increasing accountability and for improving the effectiveness and efficiency of management. For the past ten to fifteen years, Australia, Canada, New Zealand, the United Kingdom and other nations have been reporting performance indicators that reflect government program results. More recently, efforts have been made at the Federal and state levels in the United States to measure the performance of government institutions that provide services to the public. In fact, the Federal government, as well as a number of states, have now passed laws that require that their respective operations to report their performance to the public. For example, the Federal government enacted the Government Performance and Results Act of 1993, which requires Federal agencies to develop and report program results.

Eight states have also passed accountability legislation: Florida, Colorado, Tennessee, New Mexico, South Carolina, Kentucky, Texas, and Wisconsin. Many of these states require that their performance indicator reports be audited annually to ensure the reports' validity and credibility. The New York State Comptroller is currently sponsoring legislation to create the New York State Government Performance Accountability Act. This Act would establish a program whereby State agencies would be required to participate in an annual measurement and reporting of State government performance, and would be entitled to share in any savings from improved productivity.

Concurrent with the enactment of accountability legislation, a large body of criteria has developed that has been widely accepted as necessary to produce a valid, useful and accurate performance indicators report. An organization that has developed such reporting criteria is the Government Accounting Standards Board (GASB), which promulgates standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities. In a 1990 research paper, GASB recommended that the higher education community use selected Service Efforts and Accomplishments (SEA) indicators when reporting results to the public. This research paper included a model (Model) for measuring performance in public education. The Model is based on the premise that publicly funded colleges and universities have the responsibility to inform the public about the quality of education people are receiving. In April 1994, GASB issued a statement on SEA reporting, which provided a general framework of standards for reporting SEA indicators by all state and local governmental entities.

The GASB Model states that, in order to develop a performance indicator accountability system, management must prepare the necessary performance indicator information within prescribed guidelines. According to the Model, an accountability system should include steps that provide for identifying potential indicators, linking the indicators to specific agency goals, locating data sources and collecting the data. In addition, the Model states that an accountability system must be credible. Validity and credibility are added to performance indicator reporting when an independent audit or review is carried out to ascertain the reliability and completeness of management's performance indicator reporting.

Indicators' Relationship to SUNY's Goals

To demonstrate the efficient and effective use of State resources, management must define the desired outcomes and set appropriate benchmarks or targets to achieve them by identifying the organization's mission and goals. In states where performance reporting is legislatively mandated, accountability is defined as a means of judging the effects of policies and programs against a set of desired expectations (goals) or agreed upon standards.

SUNY does not believe that it was bound by the criteria for performance reporting set forth in the GASB Model as the process for creating the SUNY performance indicator report started well over a year before GASB guidelines were published. However, we found that a number of public universities in other states (such as Arizona, Florida and Tennessee) reported performance, and used five of the eight GASB-recommended outcome indicators in doing so.

SUNY stated that it used four criteria for establishing its performance indicators. These criterias are identified in a publication entitled "Charting Higher Education Accountability: A Sourcebook on State-Level Performance Indicators" (Sourcebook). The Sourcebook, published by an organization called the Education Commission of the States (Commission), is a compilation of performance reporting information contributed by the various states, including New York that belong to the Commission. Consistent with the Sourcebook, SUNY's four criteria are:

- indicators must not diminish or distort the diverse mission of constituent campuses;
- indicators must examine performance on a system-wide basis;
- indicators must provide tangible evidence of the degree to which the goals outlined in *SUNY 2000* are being achieved in relation to available funding; and

- indicators must stimulate improved performance in addition to describing current results.

The SUNY criteria for performance indicators are actually very similar to those GASB mentioned in 1990 when it recommended the use of SEA indicators by institutions of higher education. In analyzing SUNY's Report, we found that it successfully satisfied SUNY's first two criteria for performance indicator reporting, but did not fully realize the last two criteria. We believe that SUNY could make its report even more useful by reporting indicators that provide evidence of achieving the goals outlined in *SUNY 2000* and that stimulate improved performance.

For example, we observed that the Report does not mention which specific goals each indicator is measuring, and what the eventual targets for each goal are. The Report utilized the five generic goals stated in *SUNY 2000* as a general framework, but there was no attempt to link the indicators to any of the subset of 70 specific goals presented under the five generic goals. We examined these specific goals in comparison to the 46 sets of indicator data presented in the Report. We found that 14 specific goals appeared to be related to 21 of the indicator data sets. However, it was not apparent how the rest of the indicators in the Report help Report users measure SUNY's progress in implementing *SUNY 2000* goals.

In addition, SUNY officials told us that the Report is not being fully utilized as a tool to help improve performance. While the various data sources that make up the current Report were previously used as management tools, the Report itself has not served this purpose. We believe that SUNY should take advantage of the opportunity to use its Report to bring further improvements to the SUNY system.

Indicators of Institutional Quality

When we examined the information from various states as reported in the Sourcebook, we identified three models used in the presentation of performance indicators: the input/output/outcome model, the quality definition model, and the state's goals (domain) model. All three models emphasize the need to demonstrate institutional quality through performance indicator reporting.

The input/output/outcome model is a common framework used by institutions of higher education to categorize and present performance indicators. This model assesses institutional quality through input indicators (such as number of faculty), output indicators (such as number of degrees granted), outcome indicators (such as graduation rates) and efficiency indicators (such as student/faculty ratios). Explanatory

information (such as funding) is usually provided to help establish a framework for the main body of indicators.

The GASB Model also recommends the use of input, output and outcome indicators to measure an entity's service efforts and its accomplishment of goals and objectives. GASB recommended indicators of outputs and outcomes are:

- results on academic tests;
- ratings by students and former students;
- results on professional exams;
- retention rates;
- graduation rates;
- surveys of employer satisfaction with graduates;
- ratings by students of the adequacy of education programs in helping them to reach goals; and
- rates of employment and/or enrollment in graduate study.

We found that SUNY followed the input, output and outcome framework to a certain extent. However, our analysis of the Report showed that, of the 46 sets of indicator data presented in the Report, only 9 sets relate to outcomes and outputs (percent of degrees granted, graduation rates, persistence/retention, and student assessment surveys). We believe that reporting additional output and outcome indicators may more effectively demonstrate results and institutional quality at SUNY.

A sample of of output and outcome indicators which SUNY's Report does not present, but which are used by public educational institutions in some other states and are recommended by the GASB Model, include the following:

- surveys measuring employer satisfaction with graduates;
- employment rates;
- pass rates on professional licensing exams;
- alumni surveys;

- measurements of students' perceptions of the quality of instruction received before, during and after course work;
- total student credit hours generated;
- results of academic tests; and
- number of degrees awarded by discipline.

We believe that, by expanding the number of outcome and output indicators presented in the Report, SUNY would provide an even more detailed picture to the public and the public's representatives about the condition of SUNY and the quality of services it provides.

Involvement of Key Report Users in Developing Indicators

The Sourcebook subscribes to the current viewpoint that higher education needs to demonstrate its accountability to a broader audience, including students, employers, parents and the general public. The study states that an indicator that's useful in demonstrating the quality of an institution should reflect the concerns of multiple audiences.

GASB confirms the Sourcebook's view that performance indicators should involve and be useful for audiences to which information is reported. GASB states that, for performance measurement reporting to be effective, the opinions and interests of the report's users must also be considered. According to GASB, the views of key report users regarding the organization's goals and how progress toward these goals should be measured should be a factor in decisions about which indicators to use and how to report them.

However, we found that SUNY did not contact external Report users to determine the kinds of performance information they would find useful based on their relationship with SUNY. When we asked some key outside users of the Report (including officials from the Legislature and the Division of Budget) what they would like to see reported, they stated that they were interested in seeing reports of the following indicators:

- measures of success in the areas of access (SUNY's availability to students who wish to attend), research, grades obtained, jobs secured, student and alumni satisfaction and program success (per college);
- SUNY management efficiency and measures of successful outcomes, including graduation and job placement rates by individual programs; and

- the results of professional exams, employer surveys and comparisons of research revenues to full-time faculty.

We determined that SUNY officials did request feedback from users within the SUNY System. While SUNY did not respond to all the feedback, we commend them for their efforts to obtain input from University sources. We found that much of the internal feedback (from individuals such as SUNY Administration officials, SUNY faculty and campus administrators) suggested using the same kinds of output and outcome indicators as those mentioned by external users. Internal respondents also voiced concern that indicators should be clearly explained and set in the proper context. SUNY officials indicate that they will be more attentive to the concerns of internal and external users in any future reports.

Recommendations

1. Consider linking the indicators in future performance indicators reports to the specific goals stated in *SUNY 2000*, and using the Report as a management tool to identify opportunities for improved performance.

2. Investigate the feasibility of using additional output and outcome indicators to demonstrate the quality of the services provided.

3. Identify and involve key report users in the development of future performance indicators reports.

Improving Quality Control

To report meaningful performance data, it is useful for an organization's management to identify appropriate indicators, link the indicators to goals and locate and collect indicator data. A quality control system ensures that indicators are related to concepts they claim to represent, that data sources and collection procedures produce accurate and consistent results and that control procedures are adequate to prevent biased reporting. A quality control system should also ensure that indicator data is accurate and timely, that the process for developing the indicators is well documented and that the performance measurement report is independently reviewed to enhance its credibility.

A quality control system enables management to enhance the reliability of records by:

- designing, implementing, and documenting quality control procedures;
- attesting to the accuracy and validity of records at the time they are created or updated;
- retaining any special written program used to extract data from a system; and
- identifying all input and output documents and procedures.

A complete and accurate documentation of the process that produced indicators used in the Report demonstrates the existence and proper operation of controls which ensure that records are accurate, reliable, and authentic. The documentation should describe the process from beginning to end, and detail the meaning, purpose, structure, logical relationships, and origins for the indicators. Documentation should also be clear and concise so that current and future employees can understand the process. Documentation should also be kept up-to-date and available for immediate use or review.

Finally, independent audit and review lends additional value and credibility to performance indicator reports. The role of the independent auditor is to ensure that an adequate quality assurance process is in place to provide management with the most accurate and useful information. Experts in the field of auditing and financial management have reinterpreted and modified the American Institute of Certified Public Accountants (AICPA) standards for attesting to financial reports to make them

applicable to performance measurement reporting. According to these standards, an attestation of management's performance measurement reporting would include testing of data. Some of the recommended procedures for testing data are listed below.

- Evaluate management's performance measurement reporting for fairness and balance of presentation.
- Evaluate management's performance measurement reporting to ascertain that its development is methodologically sound.
- Evaluate, for reasonableness, the underlying assumptions used by management to develop its performance measurement reporting.
- Ascertain the existence and sufficiency of the documentation supporting the performance information reported. Ensure that agencies are required to prepare adequate supporting documentation and to retain such documentation on file in a manner suitable for review and audit.
- Evaluate the systems that provided the performance measurement reporting data to determine if design and controls of the system are adequate.
- Assess the reliability and appropriateness of the performance data.
- Review management's performance measurement reporting for completeness.

In accordance with the above recommended processes, we performed a detailed examination of 14 judgmentally selected data sets from among the 46 data sets that served as the foundation of the indicators used in the Report. Although the process SUNY used to establish each indicator (including its meaning, origin, purpose, structure and logical relationships with other indicators) was not fully documented for the 14 data sets we reviewed, SUNY was able to recreate the information we needed for our review. The data sets we examined were related to the following performance areas: peer graduation rates, persistence/retention, graduation rates by race and gender, student assessment of educational experiences, percent of degrees granted, graduate education and research, average number of classes taught, percent of change in full-time equivalent faculty and workload, and voluntary support.

Our examination found exceptions in SUNY's performance measurement and reporting processes related to the completeness, comparability, consistency and accuracy of the data reported. However, these findings do not represent any significant misrepresentation of SUNY's position. As noted earlier, we also believe that SUNY should improve its quality control system with comprehensive documentation of the processes used to prepare its Report. We believe that these improvements would enhance public presentations of SUNY's results of operations.

- **Completeness**

SUNY utilized the data available on its automated systems maintained within SUNY System offices. Data was also obtained from outside sources through manual surveys. SUNY did not disclose in the Report the campuses that were consistently omitted from analysis due to their non-participation in the automated systems. Further, the Report did not indicate those campuses that did not participate in the manual surveys conducted by SUNY. Readers should be made aware of the fact that not all campuses are included in the SUNY System analysis.

We also found that SUNY did not disclose those groups of students (cohorts) that were used for two indicator data sets, or the methodology it used for estimating data in an additional indicator data set. Complete information can ensure that readers are able to draw appropriate conclusions.

- **Comparability**

Data was available to SUNY which, if included, would have enhanced the usefulness and comparability of performance for three of the data sets presented. We found that SUNY used data from private institutions for comparative purposes in some cases (when the comparison enhanced SUNY's position), but omitted such data in other cases (when the comparison would not have been a favorable one). A balanced presentation of data is necessary to allow readers to fully assess the data being presented.

- **Consistency**

We identified instances in which data was used in one indicator data set, but was excluded in another even though it appeared that consistency was warratned. For another performance indicator data set, we found that information was not disclosed about the source of the indicator data or the number of campuses that the data represented. In addition, one negative indicator was omitted from the Report which, if included, would have presented a more balanced picture of SUNY's performance in this area.

- **Accuracy**

We identified eight examples of errors that may have been prevented, if, for example, there had been greater redundancy in the development and checking of the data summaries and analyses which were used in the Report.

In 1993, the SUNY Board of Trustees resolved to produce the Report on an annual basis. We commend SUNY for its commitment to performance reporting. We believe that consideration and implementation of the recommendations contained in our report will help SUNY to improve the usefulness and credibility of its reporting efforts.

Recommendation

4. Improve the quality control process to address the issues raised in this report.

Major Contributors to This Report

Jerry Barber
Frank Houston
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June 27, 1996

Mr. Robert H. Attmore
Deputy Comptroller
Office of the State Comptroller
The State Office Building
Albany, New York 12236

Dear Bob:

In accordance with Section 170 of the Executive Law, we are enclosing the comments of State University of New York regarding the draft audit report on Performance Indicators, State University of New York (95-S-76).

Sincerely,

William H. Anslow
Senior Vice Chancellor
for Finance and Management

Enclosure

Appendix B

State University of New York
Report on Performance Indicators
95-S-76

General Comments

(SUNY) The State University is pleased that the audit of its Performance Indicators Report by the Office of the State Comptroller supports this effort of the University.

We agree with the Office of the State Comptroller that the development and publication of a set of Performance Indicators for the University was a worthwhile effort and should continue to evolve. We are pleased that the OSC recognizes that SUNY's effort was voluntary and that SUNY was the first State agency to do a performance report.

SUNY's Performance Indicators Report was designed to utilize the considerable measures that SUNY has at its disposal without the delay and cost of major new data collection efforts. This was seen as a long-range project, and one which would expand in future efforts to include constituency groups from whom we did not have any information. SUNY's extensive data base did allow us to generate a long list of performance measures.

Recommendations

(OSC) 1. Consider linking the indicators in future performance indicators reports to the specific goals stated in *SUNY 2000*, and using the Report as a management tool to identify opportunities for improved performance.

(SUNY) 1. We agree. We did make the linkages within the capabilities of our central data bases. Perhaps future efforts should have a campus component which could provide for a further linkage to the *SUNY 2000* goals. However, any future reports will need to consider the new initiatives and directions articulated by the SUNY Board of Trustees.

(OSC) 2. Investigate the feasibility of using additional output and outcome indicators to demonstrate the quality of the services provided.

(SUNY) 2. We were committed to getting performance assessment measures from major constituency groups such as students, faculty and alumni. We were able to do so for two of these three groups using standard national assessment instruments for students and faculty, and in the future, we plan to obtain a comprehensive assessment from alumni as well. If possible, this could be extended to additional constituencies such as employers as suggested by OSC.

(OSC) 3. Identify and involve key report users in the development of future performance indicators reports.

(SUNY) 3. We have involved a number of key users in the past and will consider the groups mentioned in the audit for future reports.

(OSC) 4. Improve the quality control process to address the issues raised in this report.

(SUNY) 4. The data bases used to produce the majority of the Performance Indicators have been very carefully developed. There are very extensive edits of all data collected both on an automated unit record basis and on aggregate survey instruments. Summaries and analyses are carefully checked. This is not to say that errors do not occur, but the staff does have an enviable record with respect to the quality of its work. For any future reports, we will further improve our documentation standards and procedures.